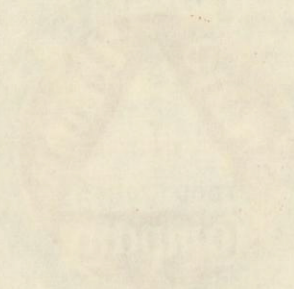


ANNUAL REPORT 1931



WOOLWORTH BUILDING
New York



New York, N. Y.
February 27, 1932.

TO THE STOCKHOLDERS:

There is submitted herewith the balance sheet, earnings statement and consolidated surplus account of The Grand Union Company for the fiscal year ended January 2, 1932.

Net operating profit for the year, after deducting depreciation and taxes, amounted to \$1,013,686. Total sales for the year (52 weeks) amounted to \$35,640,225, of which \$35,257,579 were retail sales and \$382,646 green coffee jobbing sales, compared with retail sales of \$37,009,933 and jobbing sales of \$1,107,139 for the preceding year (53 weeks). While dollar sales show a small decrease, the actual number of tons of merchandise sold exceeds that of the preceding year by 15%.

At the end of the year the company was operating 708 branches compared with 711 at the beginning. The general structure of our business remains the same, consisting of the grocery and market stores' business and the wagon route business. The grocery and market division has had a very satisfactory year, showing approximately the same volume as the preceding year, but with increased profits. While the wagon route business has suffered in sales volume, it nevertheless has made substantial profits, these showing in excess of 6% net on turnover.

With current assets five times current liabilities, and with cash on hand amounting to \$1,319,930, the company starts 1932 in an exceptionally strong financial position.

Sharp declines in prices and greatly reduced purchasing power on the part of the public during the last year have required in the operation of the business the most rigid scrutiny of expenses and the closest application in adjusting merchandising policies to the rapidly changing economic conditions—an invaluable experience which the management feels will be reflected in substantial improvements upon the return of stable commodity prices and better business conditions.

J. SPENCER WEED,
President.

THE GRAND UNION
AND ITS SUBSIDIARIES

CONSOLIDATED
January

ASSETS

Current assets:

Cash in banks and on hand										\$ 1,319,930.50
Accounts receivable, less allowances:										
Trade and miscellaneous									\$ 604,012.63	
Advances to agents									34,014.80	638,027.43
Inventories of merchandise, materials and supplies at cost (not in excess of market)										3,431,998.74
Premiums advanced to customers, at cost, less allowances and credits										426,022.86
Prepaid expenses										78,483.67
Cash surrender value of officer's life insurance										17,973.55
Total current assets										\$ 5,912,436.75

Employees' fidelity fund investments and cash, at cost, including 450 shares The Grand Union Company \$3 series convertible preference stock										32,678.20
Investments, at cost (market values not generally ascertainable)										53,424.13
Real estate, at cost										382,304.21
Machinery, fixtures and equipment									\$2,984,021.90	
Less, Allowances for depreciation									874,750.61	2,109,271.29
Good will, etc.										5,285,527.09
Deferred charges to operations										2,325.62

\$13,777,967.29

We have examined the accounts of THE GRAND UNION COMPANY and its subsidiaries and the appended income and surplus accounts set forth the consolidated financial statements for the fiscal year then ended.

New York, February 25, 1932.

NION COMPANY

SUBSIDIARIES

BALANCE SHEET

2, 1932

LIABILITIES

Current liabilities:

Bankers' acceptances secured by coffee imports	\$	100,528.67
Accounts payable		893,642.69
Accrued expenses		66,721.01
Accrued federal income taxes		116,517.62

Total current liabilities	\$	1,177,409.99
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Employees' fidelity deposits		45,114.45
Mortgages on real estate		23,500.00
Reserves for unredeemed premium tickets and contingencies		91,192.46
Minority stockholders of subsidiary company		6,280.48

\$ 1,343,497.38

Note: The company is contingently liable for a nominal amount of unused balances of letters of credit.

CAPITAL

Capital stock:

Convertible preference stock without par value, entitled to \$60 per share on redemption or in liquidation:

Authorized 500,000 shares, issued and outstanding 161,600 shares of \$3 dividend series	\$8,080,000.00
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Common stock without par value:

Authorized 750,000 shares, issued and outstanding voting trust certificates for 277,867 shares	1,023,316.00
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\$9,103,316.00

Surplus, as annexed	3,331,153.91	12,434,469.91
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\$13,777,967.29

and its Subsidiaries as at January 2, 1932 and, in our opinion, the above balance sheet shows a true and correct financial position of the companies at that date and the results of their opera-

LYBRAND, ROSS BROS. & MONTGOMERY

DIRECTORS

RALPH T. CRANE

JOHN FOSTER DULLES

RAY MORRIS

JOHN W. PRENTISS

J. SPENCER WEED



OFFICERS

J. SPENCER WEED
President

LANSING P. SHIELD
Vice-President

O. B. WESTPHAL
Vice-President

WILLIAM C. McFEELY
Secretary

SAMUEL WINOKUR
Treasurer

